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I thought you might be interested in the latest developments regarding the Republic of Kosovo.

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### Economy Shows New Promise

- The IMF is projecting 4.2% growth for Kosovo in 2019 and expects its GDP to grow by 4% every year for the next 4 years.
- The EBRD expects Kosovo's economy to grow by 4.0% this year.
- The banking sector has grown significantly over the last decade with the amount of loans growing 93% since 2010, the interest rate dropping from 14% in 2010 to just 6% in 2018, and with deposits growing 73% to €3.38 billion in the last eight years.
- The net profit in the banking sector rose to €19.1 million in the first quarter of 2019, a 6.7% growth year-on-year, while the outstanding loan portfolio expanded 11.4% year-on-year to €2.8 billion, with total assets reaching €4.2 billion, and deposits increasing 10.1%, hitting €3.38 billion.
- Kosovo's harmonized index of consumer prices (HICP) increased 3.4% year-on-year in April, with a 7.1% growth in food and non-alcoholic beverage. Its HICP also rose 3.3% in March.
- In February, FDI into Kosovo totaled €19.9 million, up from €16.4 million in the same month of 2018, with foreign remittances into Kosovo at €56.6 million, up 6.8% year-on-year.
- In 2018, the economy grew by 4.3%, with a GDP increase of 3.9%, which can be attributed to growth in public and private investments, consumption, and exports.
- Kosovo's GDP rose by 3.8% in the fourth quarter of 2018 year-on-year, after an increase of 3.4% in the third quarter year-on-year.
- Kosovo has started to see investments in industries like technology and agriculture, and banks are starting to support development in Kosovo by providing credit to entrepreneurs, which produces jobs for Kosovars.
- Kosovo has shown stable economic growth above 3.5% for several years, proving that its use of the Euro has helped spark economic development and encourage new investments.
- Kosovo has great potential for developing its renewable energy sector. Currently there have been large investments in wind energy and with the average age around 30 years old, the country also has great potential to develop its IT industry.



<https://seenews.com/news/kosovos-gdp-grows-38-yy-in-q4-649486>  
<https://seenews.com/news/imf-raises-kosovos-2019-gdp-growth-forecast-to-42-650107>  
<https://seenews.com/news/net-fdi-inflow-to-kosovo-rises-in-feb-652774>  
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### **New Initiatives Improve Quality of Life**

- In 2018, the government spent nearly €1.34 billion on infrastructures projects, which has connected residential areas to water supply systems and sewage systems, helped develop major highways, like Route 6 and Route 7 that connect Kosovo to its neighboring countries, helped renovate major railway lines that will link the Western Balkans with the E.U., and developed urban housing, modern office spaces, government buildings and schools which create a better environment for business development.
- Kosovar representatives met with representatives from the European Commission to discuss developments in agriculture, rural development, fisheries, and food safety.
- The European Commission is helping Kosovo apply EU standards for agriculture and food safety by helping the government implement legislative and enforcement initiatives in agriculture, increasing import controls on food and animals, strengthening food safety, developing land use and land consolidation laws, creating agriculture import and export statistics, and monitoring institutions responsible for agriculture and food safety.
- The European Commission for the Efficiency of Justice (CEPEJ) met with the Kosovo Judicial Council (KJC), court presidents, court staff, and judges to help implement the SATURN Time Management guidelines, identify recommendations for the courts, and strengthen the quality and efficiency of the Kosovo judicial system.
- The new SATURN Time Management system will provide improved judicial statistics to measure court performance and introduce a random case assignment system in the courts.
- In the first quarter of 2019, gross power production increased to 1,868.9 GWh, from 1,416.2 GWh in the fourth quarter of 2018, with power consumption increasing 9.9% year-on-year to 1,249.0 GWh.
- Kosovo continues to show improvements on the Reporters Without Borders Press Freedom Index, moving up three spots to 75th place out of 180 countries, showing that Kosovo is making great progress for media and information freedom.
- Kosovo's Parliament has adopted a new law on the Freedom of Association in NGOs, which meets the best international standards and practices, and is meets the civil society sector's recommendations.
- The new laws regarding NGOs will improve the legal environment by removing the limitation for foreign residents to become founders, adding a new legal form, shortening the time period for registration, and expanding the list of public benefit activities.

<https://prishtinainsight.com/free-press-in-kosovo-improves-says-reporters-without-borders/>  
<http://ecnl.org/kosovo-adopts-new-progressive-law-on-ngos/>  
<https://www.coe.int/en/web/cepej/-/the-kjc-and-courts-in-kosovo-finalise-the-kosej-court-coaching-reports-in-preparation-of-projects-with-all-courts>  
<https://emerging-europe.com/intelligence/rebuilding-kosovo/>  
[https://eeas.europa.eu/delegations/kosovo/62616/kosovo-and-eu-held-3rd-saa-sub-committee-agriculture-fisheries-and-food-safety\\_en](https://eeas.europa.eu/delegations/kosovo/62616/kosovo-and-eu-held-3rd-saa-sub-committee-agriculture-fisheries-and-food-safety_en)  
<https://renewablesnow.com/news/kosovos-gross-power-output-rises-in-q1-654256/>

### **Kosovo Works to Improve Bilateral Relations with Its Neighbors**

- The Western Balkan countries have agreed to lower their roaming charges by 27% and eventually to remove roaming charges by 2021, between Kosovo, Serbia, Albania, Montenegro, North Macedonia, and Bosnia and Herzegovina.
- The agreement to remove roaming charges indicates an act of neighborly goodwill and is a positive step forward for regional cooperation.
- European Commissioner Hahn met with Kosovar President Thaçi to discuss the dialogue between Belgrade and Pristina, Kosovo's visa liberalization, and the next steps to fulfill the European agenda.

[https://wap.business-standard.com/article/pti-stories/western-balkans-to-abolish-roaming-charges-by-2021-119040401213\\_1.html](https://wap.business-standard.com/article/pti-stories/western-balkans-to-abolish-roaming-charges-by-2021-119040401213_1.html)  
<https://www.novinite.com/articles/196267/Western+Balkan+Countries+Have+Agreed+to+Reduce+Their+Roaming+Prices>

<https://europeanwesternbalkans.com/2019/04/15/hahn-thaci-visa-liberalisation-kosovo/>

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All the best,

**James P. Rubin**

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